

Education and Workforce Development Cabinet

Kentucky's jobless rate at 11.1 percent in August

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Editor's Note: Preliminary August and revised July labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate was 11.1 percent, making it the same as July 2009's rate after it was revised slightly upward, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. August 2009's jobless rate also matched the August 1983 rate of 11.1 percent and was 4.4 percent higher than the 6.7 percent rate recorded in August 2008.

"The Kentucky economy showed some signs of stabilization in August 2009, with average weekly hours of production workers rising and the temporary help industry experiencing an uptick in employment. However, the number of individuals facing long-term unemployment continued to surge, suggesting the economic pain from the recession is far from over," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate rose from 9.4 percent in July 2009 to 9.7 percent in August 2009, according to the U.S. Department of Labor. This 9.7 percent rate is 1.4 percentage points below the 11.1 percent rate recorded in Kentucky in August 2009. Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in

August 2009, while five decreased and one stayed the same, according to OET. A decrease of 400 jobs in August 2009 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,772,700. Since August 2008, Kentucky's nonfarm employment has plummeted by 85,100.

"This represents the 13th consecutive monthly employment decline and the 19th month of job losses since the recession commenced in December 2007," Detzel said. "Since the start of the recession, employment in Kentucky has decreased by 99,700 positions."

According to the seasonally adjusted employment data, the number of jobs in the professional and business services sector jumped by 2,300 positions in August 2009. This area has lost 9,900 employees since August 2008. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support and waste management, including temporary help agencies.

"August 2009 marks the first increase in the number of jobs in professional and business services companies since January 2009. The employment gains are credited to administrative and support management businesses, reflecting strength in the employment services industry," Detzel said.

"Since the temporary help industry supplies labor to a wide variety of industries, it is a good barometer of what is occurring across the labor market. Demand for temporary help services often leads business cycles, because through such services, firms can quickly adjust their workforces to react to changes in demand that may only be short lived."

The state's leisure and hospitality sector reported an employment increase of 2,300 jobs in August 2009. Since August 2008, employment in the sector has risen by 1,200 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

Kentucky's trade, transportation and utilities sector had 800 more jobs in August 2009. This area includes retail and wholesale trade,

transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 367,000 employees. Since August 2008, the number of jobs in this sector has fallen by 16,400.

"This represents only the second time in the past year employment has risen in this sector. The job gains are concentrated in the transportation, warehousing, and utilities industry, which is indicative of two transportation companies relocating to Kentucky. Despite the overall growth in the trade, transportation, and utilities sector, retail trade enterprises endured 600 lost positions in August 2009. The employment decline reflects multiple store closings and weak demand for products engendering cutbacks at retailers," Detzel said.

The financial activities sector added 400 positions in August 2009. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has dropped 3,200 positions over the past 12 months.

The mining and logging sector gained 200 jobs in August 2009. The sector has added 1,200 workers since August 2008 because of hiring in the coal mining industry.

The government sector, which includes public education, public administration agencies and state-owned hospitals, maintained steady employment from July 2009 to August 2009. The sector has 2,900 fewer jobs compared to August 2008.

Kentucky's manufacturing sector lost 3,200 jobs in August 2009. Compared to August 2008, jobs in the sector plummeted by 35,300.

"This marks the 14th time in the last 15 months industrial employment has fallen. Job losses were concentrated in the durable goods subsector, reflecting layoffs at a number of automobile parts manufacturers, the closing of another automobile parts producer, and the start of a lengthy temporary shutdown of a durable goods plant," Detzel said.

"The durable goods subsector also accounted for the majority of the year-over-year employment decrease," said Detzel.

The construction sector lost 1,200 positions in August 2009. Since August 2008, employment in the construction sector has fallen by 18,300 positions.

"This represents the ninth decrease in employment in the last 10 months, reflecting debility in specialty trade contractors and financial difficulties delaying commercial and public works construction projects," said Detzel.

The educational and health services sector dropped by 1,100 jobs in August 2009. The sector had the same number of workers in August 2009 as August 2008. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, fell by 800 positions in August 2009. This sector had 700 fewer jobs in August 2009 than in August 2008.

The information sector lost 100 positions in August 2009. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has 800 fewer positions than in August 2008.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for August 2009 was 1,837,304 on a seasonally adjusted basis. This figure is down 3,428 from the 1,840,732 employed in July 2009, and down 73,603 from the 1,910,907 employed in August 2008.

The monthly estimate of the number of unemployed Kentuckians for August 2009 was 230,488, up 1,654 from the 228,834 Kentuckians unemployed in July 2009, and up 92,459 from the 138,029 unemployed in August 2008.

The monthly estimate of the number of Kentuckians in the civilian labor force for August 2009 was 2,067,792. This figure is down 1,774 from the 2,069,566 recorded in July 2009, but up 18,856 from the 2,048,936 recorded in August 2008.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeaepp.htm>.